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Spotlight ON FOREIGN MARKETING



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TO U.S. AGRICULTURAL ATTACHES AND FAS STAFF MEMBERS

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CURRENT SERIAL RECORDS

CONGRESS ACTS ON MARKET DEVELOPMENT FUNDS. The FAS appropriation for Market Development for F. Y. '63 which was signed by the President Oct. 24, 1962 is 16.6 million dollars. This is an increase of 4.9 million dollars over 1962. About 4.3 million dollars of the increased is in direct dollar appropriation which finances most of the work in the hard currency countries. The actual increase in funds available for use in dollar markets is somewhat less than this, however, because of greater carryover a year ago of funds is the non-excess countries.

The Senate Committee report stated:

"The committee expects the Department to make full use of the legislation enacted last year which provides for converting 2 percent of the amounts of agreements for use under section 104(a) for market development projects.

"Under provisions of section 104(a) of P. L. 480, as amended, the first priority on currencies generated under that act is to be set aside for needs of Department. The committee has inserted language in the bill in lieu of the language contained in the estimate and carried in the House Bill to enable the agency to acquire available currencies needed for effective operation of market development programs."

Aggressive action is required by attaches as well as by cooperators and FAS/Washington to see that this money is effectively used.

FAS PARTICIPATED IN 25 TRADE FAIRS DURING 1962. FAS has wound up its trade fair program for 1962 after participating in 25 exhibits during the year.

Highlight of the trade fair year was the series of four "test-sales" exhibits in Manchester, London, Munich and Brussels. The 16-day Brussels fair, which closed October 28, drew approximately 200,000 persons to the U. S. exhibit.

A major feature of each of the four exhibits was a self-service market in which foods consigned to the government by individual U. S. food firms were retailed to the public. More than 100 firms sent approximately 1,000 different food items for sales. For the four shows, sales grossed in excess of \$100,000. (For further details, see USDA press release 3922-62, dated Nov. 9, 1962.) With the 1962 program under its belt, USDA has now participated in 126 overseas exhibits in 31 countries, with a total estimated attendance of 47 million from the public and trade.

JAPANESE LEATHER PROMOTION PROJECT PAYS OFF. A joint advertising program carried on under the auspices of FAS, Western States Meat Association, the National Hides Association, and the All-Japan Leather Association, comprising Japanese hide importers, tanners and manufacturers, has already produced unusual results. It has helped to more than double the consumption of leather shoes in Japan, where sales this year are expected to exceed 48 million pairs compared with 20 million in 1958. Japanese increased their consumption of leather products 19 percent in 1961 to boost the volume of hides and skins purchased in the United States to nearly 90,000 metric tons, valued at \$25,000,000.

In just a few years, Rocky Mountain and Pacific Coast hide prices have increased from 2 cents below the Chicago price to a level equaling or exceeding the Chicago price. This increase can be attributed at least in part to the rapidly increasing Japanese demand for U. S. hides.

FLOW OF MARKET INFORMATION EXPEDITED. An international TELEX machine has been installed in FAS Administrative Services Division. Commodity information is now being received in the South Building direct from The Hague transmitted from an FAS TELEX machine located there in the Agricultural Attache's office. Similar arrangements are being completed for Hamburg. Plans for expediting market intelligence from Tokyo are underway. These will speed up the transmission of market information as well as other aspects of FAS' work in those countries.

RICE OFFICE OPENS IN SOUTH AFRICA. Encouraging reports are coming in from Charne Louw, Country Director for the new U. S. Rice Export Development Association office in South Africa. Mrs. Louw has been busy visiting the trade and official contacts, and has found that there are approximately 100 active rice importers in the country. She writes, "Our campaign should definitely increase the consumption of U. S. rice in the Republic of South Africa. All people I have met have been very enthusiastic about the properties of American rice."

This, the first sizeable market development operation in South Africa, is a credit to the continuous interest and hard work of Attache Bill Edens, as well as the effective follow-thru of Executive Secretary Si Grider and President Marcus Mauritz in taking advantage of this and other opportunities to expand the world market for U. S. rice.

PUBLICITY FROM ATTACHES WHITE HOUSE VISIT. The agricultural attaches and U. S. livestock breeders have been featured in 15 to 20 breed and trade publications recently as a result of the visit with President Kennedy at the White House back in May. An example is the September issue of the "Brangus Journal" featuring a photo of the group on the White House lawn, the remarks of the President, a complete listing of the names and addresses of the attaches, and a tribute to the attaches and FAS Livestock and Meat Products Division for the "gigantic" job they are doing in selling livestock and its products.

CCC - COMMODITY SALES POLICY. As a result of the market's reactions to the Cuban situation the Department had to take steps in connection with the inventory management of certain CCC-owned commodities.

On October 23 CCC Commodity Offices were directed to withdraw all offers to sell CCC-owned feed grains except for out of condition corn on track.

After reviewing the situation, CCC modified this policy on October 24, 1962, and as the situation stands at this time (Nov. 14) CCC will sell for unrestricted use corn stored in interior locations to warehousemen holding the corn. In addition CCC will offer corn at seaboard location for delivery against the CCC credit or barter programs. CCC will not, however, offer feed grains other than grain sorghums in redemption of export PIK certificates.

With respect to grain sorghums CCC has reverted to the sales policy in effect prior to the Oct. 23 withdrawal of feed grains. This means that CCC will sell grain sorghums for unrestricted use; for redemption of PIK export certificates and for delivery under CCC credit and barter programs.

CCC has indicated now that it would offer to sell soybeans from its inventory but would limit sales not to exceed to 1 million bushels a day. Attaches will be advised of any major changes in this policy.

NEW-WHEAT OFFICE OPENED IN RANGOON. Burma has been selected as a new country for expanded wheat promotion in Asia.

A new Rangoon office has been established jointly by Wheat Associates and Burma's six roller flour mills. U Sein Win, an Oregon State University engineering graduate, has been employed as manager and will work under the supervision of Wheat Associates' New Delhi office.

Six mills have been built at Rangoon during the past four years. While some flour mill continue to be imported, the new mills mean that the emphasis is on importation of wheat.

Sales are for dollars. Establishment of the office is expected to lead to other market development efforts in Burma, including the possibility of a quality testing laboratory and a bakery training program. Early efforts have already included promotional exhibits and distribution of information materials on U. S. wheat.

U. S. LARD MARKET IN U. K. EXPANDING. As a part of the lard promotion initiated this year in the U. K. in cooperation with the National Live-stock and Meat Board (a new cooperator) lard was exhibited at food fairs in London and Manchester and for the catering trade at the London Trade Center. Carl Neumann, General Manager of the Meat Board visited England twice during the year to meet with the U. K. lard trade to offer us assistance in developing the promotion program.

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Exports of U. S. lard to the United Kingdom for the period, January-Sept. of this year were up 47 percent on a volume basis above the same period last year.

DOUGHNUTS BY BASHIR. In Karachi, Pakistan, Wheat Associates obtained the services of Bashir the famed camel driver to deliver thousands of doughnuts produced in a doughnut making machine which was a featured attraction of a trade fair.

The machine had a capacity of 900 doughnuts an hour and in order to distribute the output to orphanages, hospitals and schools, Bashir, the famed camel driver who was invited to the U. S. by Vice President Lyndon Johnson, was engaged to deliver the tasty wheat products in his bright red pick-up truck. This has stirred much publicity for Wheat Associates and their Wheat Kitchen exhibit where nightly attendance has been running at the nearly unbelievable estimate of 40 thousand people. Approximately 80-100 thousand doughnuts made in the kitchen have been distributed in Karachi.

FARMERS LAUNCH BIG RESEARCH AND PROMOTION CAMPAIGN IN U.S. Cotton Producers Institute whose members are U. S. cotton farmers voluntarily paying \$1.00 per bale, in September began a new research and promotion program totaling \$1,350,000 for the next year. This program is in addition to that of the National Cotton Council of America and other existing organizations. Initial promotion campaign, composed almost entirely of television spot advertisements, will concentrate on late winter and spring season when textile sales are at a peak with secondary and selected market commercials, general in nature and aimed primarily at the housewife. First series stresses cotton wash-wear fabrics and home furnishing items. Research will be directed to improving cotton and reduction of production costs as well as research on improved processes for certain fabrics.

PERMANENT WHEAT KITCHEN ESTABLISHED IN EAST PAKISTAN. A permanent wheat kitchen has been established in East Pakistan through the cooperative efforts of Wheat Associates and the Pakistan Diabetic Association and Medical Research Center.

The primary objective of the Wheat Kitchen is to work out menus for a nutritious diet for the 2,000 patients and their families now under the care of the center.

The kitchen, manned by expert cooks supervised by a dietitian, will create new wheat recipes with the food habits of rice-eating people in mind. Letters, circulars, nutritional leaflets, recipe booklets and posters aimed at popularizing wheat and wheat products will be distributed.

CALENDAR OF EVENTS. Attache's attention is called to the FAS publication entitled "Calendar of Events" (a copy of which was sent to you under separate cover) which is a compilation of meetings of professional societies, trade associations, farm organizations, fairs, and other agriculturally related organizations. This information should be valuable in discussing plans for market development teams and individuals which are coming to the U. S.

COOPERATORS MEET IN WASHINGTON. Twenty-one cooperator representative were present at a recent meeting with members of the staff of USDA/W. The luncheon meeting was chaired by Associate Administrator C. R. Eskildsen who discussed the implications of the new Foreign Trade Act, recent Common Market developments, the OECD meeting which Secretary Freeman is attending and the Outlook Conference to which the cooperators were invited.

Sid Schwartz of the USDA Motion Picture Service reviewed his findings with respect to how our market development films must be produced for acceptance by foreign exhibitors. He indicated that there are great opportunities for showing market development films if consideration is given to local practices in film distribution. Another cooperator-FAS luncheon meeting is scheduled for January 29, 1963.

FEED GRAIN COUNCIL AND SOYBEAN COUNCIL JOIN IN NAMING ONE DIRECTOR FOR GREECE. Themis A. Lykiardopulo, is the new Country Director for both the U. S. Feed Grains Council and the Soybean Council of America for Greece. This is the first time two major cooperators have selected one man to represent them jointly.

Mr. Lykiardopulo admits his name can be a problem, and suggests he be called "Lyki." "Lyki" has had wide experience in the livestock feed field having served his former employers for 40 years in England, India and the U. S. His temporary address is: 41 Rue Ipsilandou, Athens 140, Greece.

POULTRY PROGRAM GROWS. The Institute of American Poultry Industries has recently added three Americans to its European staff. They are: J. M. Clore, Office Manager; B. Wilem Winkle, Marketing Specialist; Herman Leis, Poultry Chief.

They will assist Ed Driggs, European Director in carrying out plans for an expanded program. With the advent of the Common Market's poultry regulations in 1962, IAPI now has increased program emphasis in Europe.

West Germany, The Netherlands, and Switzerland are our largest frozen poultry markets but it is too early to predict the effect of the EEC poultry import regulations, since negotiations are still being carried on. There are many evidences, that the foreign poultry market created from negligible exports as recently as 5 or 6 years ago is of great interest to the American poultry industry. Increasing numbers of U. S. poultry men, for example, are showing up at IAPI's Frankfurt office. Their foreign travel in behalf of market development for poultry is at their own expense.

Consideration is being given to country programs in Greece, Austria, the UAR, Hong Kong, and West Africa. A small program was started in Japan late last year.

